

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS INVESTMENT
LITIGATION

MDL 1586

IN RE ALLIANCE, FRANKLIN/TEMPLETON,
BANK OF AMERICA/NATIONS FUNDS, and
PILGRIM BAXTER

Case No. 04-md-15862
(Judge Davis)

[Franklin Templeton Subtrack]

Sharkey IRO/IRA v. Franklin Resources, *et al.*

Case No. 04-md-1310

**STIPULATION OF VOLUNTARY DISMISSAL OF DEFENDANTS
CHARLES B. JOHNSON AND RUPERT H. JOHNSON, JR. WITHOUT PREJUDICE**

WHEREAS, Lead Plaintiff, the Deferred Compensation Plan for Employees of Nassau County, in its Consolidated Amended Class Action Complaint (the "Complaint"), filed with this Court on September 29, 2004, named, among other defendants, (i) Charles B. Johnson, who served, among other things, as Chairman of the Board, Chief Executive Officer (until January 1, 2004), and a Member of the Office of the Chairman and Director of Franklin Resources, and as Trustee and Chairman of the Board of the Franklin Strategic Series Funds, which is alleged in the Complaint to be the registrant/issuer, *inter alia*, of the Franklin Small-Mid Cap Growth Fund, and (ii) Rupert H. Johnson, Jr., who served, among other things, as Vice Chairman of Franklin Resources, and Trustee and President of the Franklin Strategic Series funds, the registrant/issuer, *inter alia*, of the Franklin Small-Mid Cap Growth Fund;

WHEREAS, the Complaint alleges, among other things, that various false and misleading statements were made concerning, *inter alia*, the Franklin Small-Mid Cap Growth Fund in the registration statements and prospectuses for said Fund during the Class Period set forth in the Complaint;

WHEREAS, the Complaint further alleges, among other things, that defendants Charles B. Johnson and Rupert H. Johnson, Jr., were signatories to the registration statements and prospectuses issued by the Franklin Strategic Series, covering, among other funds, the Franklin Small-Mid Cap Growth Fund;

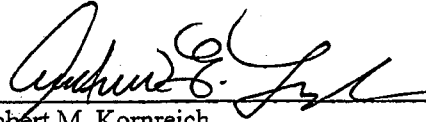
WHEREAS, notwithstanding the foregoing, Lead Plaintiff, by its undersigned counsel, has agreed to voluntarily dismiss, without prejudice, Charles B. Johnson and Rupert H. Johnson, Jr. from this Action;

WHEREAS, the Lead Plaintiff's agreement to such voluntary dismissal without prejudice is made expressly subject to Charles B. Johnson's and Rupert H. Johnson, Jr.'s agreement to be subject to the Tolling Agreement executed in this Action on September 21, 2004, whereby the running of any applicable limitations period with respect to claims against Charles B. Johnson and Rupert H. Johnson, Jr. arising out of this Action is tolled pursuant to the terms of said Agreement; and

WHEREAS, Charles B. Johnson and Rupert H. Johnson, Jr. agree to the terms of such Tolling Agreement as of the time of this Stipulated Order, and it is agreed that they shall be deemed to be listed in the "Schedule A" thereto setting forth tolled parties;

NOW, THEREFORE, IT IS HEREBY ORDERED, that this Action is dismissed as to defendants Charles B. Johnson and Rupert H. Johnson, Jr., without prejudice, and without costs

Dated: New York, New York
September 3, 2009



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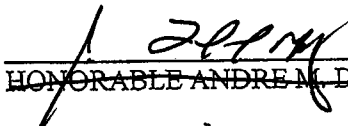
*Lead Class Counsel for the Lead Plaintiff for the
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Counsel for the Franklin/Templeton Defendants

SO ORDERED this 4th day of Sept 2009



HONORABLE ANDRE M. DAVIS

UNITED STATES DISTRICT JUDGE